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C E N T R A L   I N T E L L I G E N C E   A G E N C Y

2 February 1959

Post-Mortem on SNIE 13-2-59:

Present Trends in Communist China

I. Findings

General information on the communes and the leap forward movement has been almost overwhelming in quantity, but certain significant phases of these subjects remain almost unreported. Machinations within the Chinese Communist Party and various phases of Sino-Soviet relations and Chinese Communist foreign policy have received some coverage, but much more is needed.

II. Action

A. We believe that the following subjects will be of increasing importance for at least the next two years and should be given special attention:

(a) Any evidence pertaining to the actualities of the leap-forward movement including: 1) the amount of exaggeration in the official statistics and the reasons therefor; 2) an evaluation of the quality of such products as locally produced steel; 3) the economic dislocations resulting from the rapid and almost unplanned increases in production, particularly the effects on transportation.

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(b) Evidence leading to a sound evaluation of the popular reaction to the commune movement. Is there strong, widespread revulsion, or are people inclined to accept it passively or with some enthusiasm. What is the trend? To what degree is communal housing being pressed and to what extent are families actually being separated?

(c) Evidence regarding the inner workings of the Chinese Communist Party: the development and membership of any cliques and any maneuvering to influence, downgrade, or replace Mao.

(d) Developments which will shed further light on Sino-Soviet relations, particularly: 1) to what extent does Soviet pressure influence Chinese policy, as in the Formosa Straits or the retraction of the August-October statements upon the nearness of Communism and the doctrinal wonders of the communes, 2) the extent, if any, of Chinese dissatisfaction with Soviet aid, and 3) the positions of different leaders in each country on questions of relations between the two.

(e) Information on the motives behind Communist China's decisions regarding the Taiwan Straits, including: 1) the personalities involved in supporting and opposing the decisions, 2) the internal repercussions of the apparent failure of the

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recent pressure on the offshore islands, and 3) the degree of patience or impatience felt toward the Taiwan problem and the seriousness of the expectations, if any, that the Nationalists can be subverted.

B. Other matters of continuing interest are:

(a) Evidence of interrelationship of cockiness caused by domestic successes and aggressiveness in foreign policy.

(b) Developments in agriculture resulting from the establishment of a fantastic 1959 goal for grain production based on apparently false statistics of 1958 production, or, any evidence that the actual achievement in 1958 represented more than the 20 percent increase in grain as predicated in the Estimate.

(c) Reactions in North Korea and North Vietnam to the Commune program, especially the extent, if any, of copying the Chinese system.

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